26 December 195h

MERCEARGE FOR CHE DIRECTOR OF CENTRAL INVESTIGATION

SUBJECT: Probable Consequences in Western Europe of French Rejection of the Paris Agreements

1. French rejection of the Paris agreements would cause prefound confusion throughout Western Murcye, and would tend to solidify existing doubts as to the feasibility of attempting to deal with France on Suropean problem. There would probably also be great apprehension in Wastern Surone concerning the probable course of US policy. On the one hand, many Western Suropeans would fear drastic moves by the US, and perhaps the UK, to arm the West Germans outside the alliance system; on the other hand, many would fear that the US may revert to a paripheral strategy. There would probably also be concern that a Meet Cormany which has been barred from equal status in the Western alliance would abandon its present moderation and its pro-Mestern policy. Motwithstanding these impodiate reactions, we foresee a histon while a new French government is being formed, while the West Germans are seeking to adjust to this new situation, and while Western Europe

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aments now initiatives from both the leaders of the Hestern alliance and the UNSR.

- 2. France's adverse vote would be exploited by the Soviet bloc as a great victory. Moseow might quickly reise the initiative with a new call for a suropean conference in an effort to delay IF and UX moves to retrieve the situation.

 In this event, Western European governments would be under strong popular pressure to agree to such a conference.
- 3. The UK would make streamous efforts to formulate an alternative policy toward west armany which would prove acceptable to the French. Only if all efforts to get France to change its position failed, would the UK be willing to proceed on a bilateral basis with the US to rearn West Germany. However, in view of the considerable popular especiation to terman rearmament, the UK might favor postponing such an approach until after the next general election. Probably only in the event of disturbing developments in West Germany and strong pressure from the US would they be likely to out short their continuing efforts to find a solution in which France would participate. The likelihood of the UK preceding without France would be substantially reduced if the Labor Farty came to power.

- and his party and many West Germans probably would become more exemable to renewed Bloc approaches on reunification.

 Nevertheless, we believe that a basic reorientation of West German foreign policy would be unlikely and that the CDU would remain the dominant political force, at least until the next federal election. Bonn's immediate response to French rejection probably would be a demand for prompt restoration of sovereignty. Sespite West German bitterness and frustration, Adenguer would continue his attempt to ebetain French collaboration by a substitute formula for severeignty and rearmament. The West Germans would be reluctant to proceed with rearmament over a French veto since their military exparts consider a European defense strategy without France impracticable.
 - 5. We believe that final French assembly rejection of the Paris agreements would be primarily a matter of clashing personalities and party interests rather than an indication that a majority of Farliament actually is unwilling to accept German rearmament.
 - 6. The fall of the present government would probably be followed by a return to the type of right-center coalition

Fours might head such a government. We believe that the ever-riding objective of that government would be to repair the damage done to France's relations with its Western allies. However, the traditional conflicts within the French political scene would continue to operate against the achievement of that objective. Nevertheless, we believe that a display of US-UK determination to rearm larmany, if necessary, without French acquiescence would eventually cause the French to accept German rearmament.

FOR THE BOARD OF NATIONAL PATHATES:

SABRMAN KERT Assistant Carector Mational Estimates

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